



WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT
Division of Economic Support
Bureau of Work Support Programs

**TO: Economic Support Supervisors
Economic Support Lead Workers
Training Staff
Child Care Coordinators
W-2 Agencies**

FROM: Stephen M. Dow
Policy Analysis & Program Implementation Unit
Work Programs Section

BWSP OPERATIONS MEMO

No.: 00-63

File: 2790

Date: 09/06/2000

Non W-2 ☒ **W-2** ☐ **CC** ☐

PRIORITY: High

SUBJECT: BADGERCARE PREMIUM PROCESS REDESIGN: PHASE 1

CROSS REFERENCE: Medical Assistance Handbook, Appendix 12.

EFFECTIVE DATE: October 1, 2000

PURPOSE

This memo describes changes being made to the BadgerCare premium payment process. These changes include new premium payment policies, a shorter premium payment process, changes to CARES including the MMIS interface, and revised procedures used by EDS to process payments and generate premium coupons. In this memo, we are also sharing with you the information being sent to BadgerCare recipients about these upcoming changes. This memo provides you with information about other eligibility and premium process fixes to BadgerCare logic in CARES that have been made recently or will be made shortly.

BACKGROUND

When BadgerCare started in 1999, the Department of Health and Family Services (DHFS) decided to use a 2-month cycle for paying premiums. DHFS felt such a cycle would provide ample time for recipients to pay any premium they owe. It would also prevent some families from losing eligibility and disenrolling from their BadgerCare HMO's. To minimize the workload for agencies and workers administering the program, the process was designed to be completely automated.

As the program got underway, workers discovered several problems. After careful analysis, it was determined that many problems were related to the two-month process. That premium amounts owed by a family could change after they were sent the premium coupons was also a

source of confusion. DHFS decided that the best way to resolve these problems was to change the premium payment process to a one-month system. DHFS also decided that BadgerCare premium problems were the top priority CARES fixes after Family Care was implemented.

POLICY/PROCESS CHANGES

Effective October 1, 2000, BadgerCare (BC) premium payments will be on a one-month cycle. This means that BC recipients will receive their November premium coupons in October (instead of September). They will be expected to send in their payments by November 10. If they fail to make the payment by Adverse Action in November, their BadgerCare benefits will end November 30.

CARES will no longer issue warning letters to persons who have not paid their premium a month in advance. Recipients who fail to pay the premium by the due date will only receive a termination notice from CARES.

Also effective October 1, 2000, BC premium paying assistance groups (AG's) that are opening or reopening for BC in the current month will have to pay their premium in advance before their eligibility for the current month can be confirmed. Previously, if BC eligibility for the current month was determined before Adverse Action (AA) of the current month, advance payment of the premium was not required. EDS mailed a coupon out after the BC eligibility was confirmed on CARES. This will affect intakes, newly eligible BC groups and late pays. For example, the November premium due 11/10 is not paid until December 1. December BC will Pend until you collect the payment from the recipient and enter it on AGPC.

These changes will affect all cases. Ongoing cases as well as new applications will be subject to the new premium policy. We are including a description of the transition process for ongoing cases later in this memo.

SYSTEM CHANGES

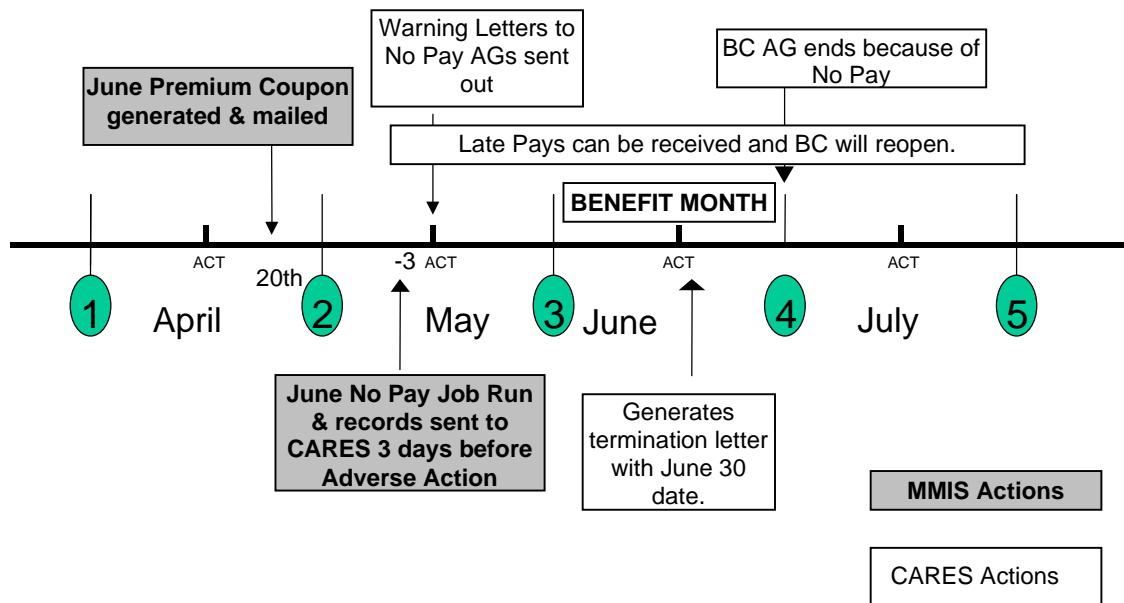
We will make a number of changes to both CARES and MMIS in September to accommodate the new premium process. The transition from a two-month to a one-month system will take place by stopping the two-month process in September and starting the one-month process in October. Part of this transition will be a delay in updating CARES with information on the status of the October premiums until a few days before AA in October.

Following is a summary of the changes being made.

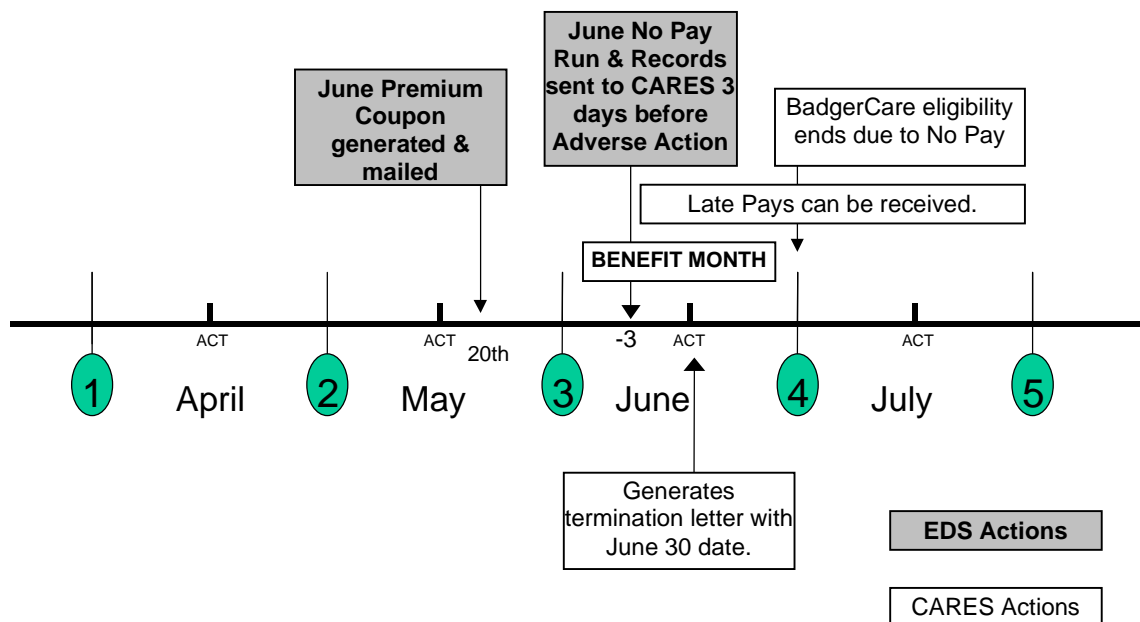
1. EDS will send out premium coupons on the 20th of the month before the benefit month for those persons paying directly. EDS will also send out EFT payment requests for those BC cases paying their premiums through EFT on the first of the benefit month.
2. EDS will send CARES a file of cases that have not paid their premium three days before Adverse Action in the benefit month.
3. CARES will no longer send out warning letters to BC AG's that have not paid their premiums.
4. EDS will send late pay records to CARES for cases that they reported on the non-payment file. (This is the file sent 3 days before AA of non-paying cases.)

5. CARES will schedule AGPC and require payment of the premium to open a BC AG at any time in the current month if a premium is owed for the current month.

CURRENT BADGERCARE PREMIUM PROCESSING FOR ON-GOING CASE



NEW BADGERCARE PREMIUM PROCESSING FOR ON-GOING CASE



TRANSITION PROCESS

These changes to the ongoing premium payment process will occur in September (see the Transition Schedule for dates):

1. EDS will not notify CARES of recipients that have not paid their October premiums by September 12. (The October “No-Pay” record.)
2. CARES will not send out warning letters at AA for non-payment of October premiums.
3. EDS will not notify CARES of recipients who pay their October premium after September 12. (The October “Late Pay” records.)
4. The AGPT screen will not be updated to show whether October premiums have been paid yet. Nor will the screen be updated to show whether a November premium is owed.
5. EDS will not send out any November premium coupons.
6. EDS will not send EFT debits to recipients’ or employers’ banks for the November premium.

These changes to the premium payment process will occur in October:

1. Three days before AA, EDS will notify CARES of recipients that have not yet paid their *October* premiums. (Under the two-month system, CARES would have received the *November* “No-Pay” records.)
2. EDS will notify CARES of recipients who pay their October premium after the “No-Pay” record is sent in October. (The October “Late Pay” records.)
3. CARES will close BadgerCare AG’s effective October 31, for non-payment of October premiums.
4. The AGPT screen will be updated to show whether October premiums have been paid as of AA. If October is paid and November is a premium month, AGPT will also show that a November premium is owed.
5. EDS will send out the *November* premium coupons the day after AA.
6. EDS will send EFT debits to recipients’ or employers’ banks for the *November* premium on November 3.

Beginning October 1, CARES will Pend any AG that is determined eligible for BC for the month of October and would owe a premium for the month. BC eligibility can not be confirmed until the worker completes the AGPI and AGPC screens to show that payment has been made.

OTHER CHANGES AND FIXES

IMPROVING THE MMIS INTERFACE FOR PREMIUM AND ACCESS INFORMATION

There have been instances where premium information in CARES does not agree with the MMIS information. Changes to CARES and MMIS to fix the discrepancies will not be completed until the next phase of premium fixes. However, we are making some changes to reduce the number of times that the information gets lost between the two systems. In addition, we have already begun a partial premium reconciliation process. The day after adverse action a special file is generated by CARES and sent to EDS. If CARES shows that a family's premium amount for the next month is \$0, EDS will not send out a coupon.

We are fixing another problem that affected the insurance access verification process at EDS. We expect the fix will enable EDS to verify insurance access in a shorter time.

AGPT

We are changing the screen display to retain information about payment status and source of the last update when a worker updates the premium to a new amount.

For example, if a recipient fails to pay their \$45 premium on time, the AGPT screen will change from a "\$45 N SYS" to a "\$45 N MMS" to indicate that EDS was the source of the no payment record. If a worker then confirmed BC eligibility for a different premium amount, AGPT was updated to the new amount and an "N SYS". After the fix is made on September 23, CARES will now display the new premium amount, but will continue to display "N MMS" to indicate that the last payment record update was from EDS to indicate no payment has been made.

CORRECT MED STAT CODE FOR CHILDREN WITH INCOME UNDER 100% FPL

We have discovered a large number of children who have a Med Stat Code of "GP". This code was intended for adults who are eligible for BC with incomes below 100% of the Federal Poverty Level (FPL). Any children in families with incomes that low should be eligible for some type of Healthy Start or Medicaid. The problem arises for a small number of cases when eligibility is redetermined at adverse action, or at any other time when cases have their eligibility redetermined during a mass change.

For example, a child is eligible on CARES as a Continuously Eligible Newborn (CEN). When the child turns one, the case runs through adverse action and the CEN eligibility ends. However, CARES continues to explore eligibility for other categories of Medicaid. Sometimes, CARES will "cascade" down to BadgerCare and will find the child eligible for BC without checking for eligibility for Healthy Start. This happens because the "Batch" process is not programmed to explore eligibility for new types of AG's.

To fix this problem, we have changed CARES so that if children are found eligible for BC and the family has income below 100% FPL, CARES will send the correct Med Stat code to MMIS. The Med Stat Code will be based on the age of the child. In addition, we are creating an alert to the workers whenever the batch process runs and children are found eligible for BadgerCare in families with incomes below 100%. We want CARES to determine the correct eligibility for these children, but it can only be done by the worker running SFED. The alert, number 313,

reads: "RUN SFED TO PUT BC CHILD IN HS" (i.e., Run SFED to make a child currently eligible for BC eligible for Healthy Start.)

If you get this alert, please run SFED and confirm eligibility for all the Medicaid/BC AG's. It is not necessary to run SFED with dates because the correct Med Stat Code has already been sent by CARES for next month.

OTHER INFORMATION RELATED TO THE PREMIUM CHANGES

CLIENT NOTIFICATION

All BadgerCare premium paying recipients will receive a letter notifying them of the change to the premium payment process. We plan to send the notification out before recipients would expect to receive the November premium coupon.

We also plan to send a separate letter to BC recipients who pay through EFT. At the time this memo went to print, the letters had not been finalized. We have attached copies of the drafts for you.

We expect to send a similar letter to employers who are paying premiums through wage withholding. A draft of this letter was not available at the time this Operations Memo was prepared.

ETN

On September 26, at 12:00, Bureau of Health Care Eligibility staff will do a presentation and take questions over the Educational Teleconference Network (ETN). Presenters will discuss the information contained in this memo and provide an update on the CARES programming changes. See a copy of the ETN announcement attached to this memo for details.

AUGUST FIXES – ADDITIONAL INFORMATION

TEST CHILD FIX

On August 25, a fix was made to CARES so those children who are ineligible for BadgerCare because they are receiving adoption assistance will be given a participation status code of "Test Children" for BadgerCare. Children receiving Adoption Assistance benefits are categorically eligible for Medicaid (their eligibility is certified manually by the State) and thus are not eligible for BadgerCare.

FIX FOR COUNTED ADULTS AND CHILDREN

CARES was causing some parents and spouses to be considered as counted adults or counted children for BadgerCare even when the persons they were responsible for were not eligible for BadgerCare. In a very few cases, some minor parents ineligible for BadgerCare were made into Test Children when they should have been given a status of Counted Children. They

should have been Counted Children so that their income would be counted for their children to determine their eligibility for BadgerCare. These problems were corrected on August 25.

ATTACHMENTS

- Client Notification Letters -- DRAFT
- Transition Schedule
- ETN Announcement (This is a draft of only the first page; the actual announcement will include the locations and evaluation.)

CONTACT

DES CARES & Policy Call Center	Email:	carpolcc@dwd.state.wi.us
	Telephone:	(608) 261-6317 (Option #1)
	Fax:	(608) 261-6968

Note: Email contacts are preferred. Thank you.

DRAFT

September 18, 2000

Dear BadgerCare Recipient:

We are sending you this letter to tell you about changes that are being made to the BadgerCare program. These changes will only affect families that need to pay a premium to receive BadgerCare.

There are two major changes being made:

1. At this time, premium Notices are sent out two months before the month of your BadgerCare coverage. Beginning in October, the Premium Notices will be sent out in the month before BadgerCare coverage. When you get the Premium Notice in the mail, you will have until the 10th of the following month to pay.
2. Another change is that you will no longer be sent a letter reminding you to pay your premium when you don't pay by the due date shown on the Premium Notice. Instead of a letter, if a premium is not paid by the due date, a Notice of Decision will be mailed out telling you that your family's BadgerCare eligibility is ending.

This is what will happen in October and November:

1. If you have already paid your premium for October that was due September 10th, you don't need to do anything.
2. If you have *not* paid your premium for October, please send it in no later than October 10th, so that your family's BadgerCare eligibility can continue.
3. If you owe a premium for the month of November, you will not get the Premium Notice in the mail until the week of October 23rd and it will be due November 10, 2000.
4. Be sure to pay attention to the dates on the monthly Premium Notices you receive and pay by the due date on the notices. No letters will be sent out anymore to remind you to pay your premium. If you do not pay by the due date on the Premium Notice, you will get a Notice of Decision from your worker telling you that your family's BadgerCare eligibility will end.

Remember: Because of the changes, no Premium Notices will be sent out at the end of September.

We are making these changes so that the premium processing works better and is easier for everyone. If you need more information about these changes, you may call BadgerCare Services at 1-888-907-4455 (TTY and translation services are available).

DRAFT

September 18, 2000

Dear BadgerCare Recipient:

We are sending you this letter to tell you about changes that are being made to the BadgerCare program. These changes will only affect families that need to pay a premium to receive BadgerCare.

There are two major changes being made:

3. At this time, your premiums are taken directly out of your bank account one month before your BadgerCare coverage. After the change, your premiums will be taken out of your bank account in the same month as your BadgerCare coverage.
4. Another change is that you will no longer be sent a letter reminding you to pay your premium when we are not able to get your premium because you don't have enough money in your bank account. Instead of a letter, if a premium is not paid by the due date, a Notice of Decision will be mailed out telling you that your family's BadgerCare eligibility is ending.

This is what will happen in October and November:

5. If you owe a premium for the month of November, the next time a premium will be deducted is November 1, 2000. No premium will be taken out October 1st.
6. You do not need to do anything differently to pay your premiums once the changes are in. The only thing you need to do is continue to make sure you have enough money in your bank account at the first of every month that you owe a premium. You will be told by your certifying agency if your premium amount ever changes.

Remember: No letters will be sent out anymore to remind you to pay your premium. If we are not able to get your premium by the due date, you will get a Notice of Decision from your worker telling you that your family's BadgerCare eligibility will end.

We are making these changes so that the premium processing works better and is easier for everyone. If you need more information about these changes, you may call BadgerCare Services at 1-888-907-4455 (TTY and translation services are available).

BadgerCare Premium Process Redesign: Phase 1 Transition Schedule

Date	Responsible System	Task(s)
08/23/00	MMI S	Create monthly coupons for Oct benefit month
08/24/00	MMI S	Create daily coupons for Oct and past benefit months
09/12/00	MMI S	Do not create "no pay" records for Oct benefit month
09/13/00	MMI S	Continue sending Sept and past benefit month "late pays" to CARES. Do not send Oct "late pays".
09/14/00	CARES	Do not apply the Oct benefit month "no pays"
09/15/00	CARES	Adverse Action: <ul style="list-style-type: none"> Do not issue warning letters for Oct benefit month Do not create AGPT row for Nov benefit month Do not assume payment for Oct benefit month Close cases not paid for Sept benefit month Create Sept benefit month term notices
09/18/00	MMI S	Do not create monthly coupons for Nov benefit month
09/23/00	CARES	Move all changes to production
09/29/00	MMI S	Do not create the monthly EFT debits for Nov benefit month
10/13/00	MMI S	Create "no pay" records for Oct benefit month and send to CARES
10/16/00	MMI S	Apply the Oct benefit month "no pays"
10/16/00	CARES	Begin sending Oct and past benefit month "late pays" to CARES
10/17/00	CARES	Process "late pays" for Oct and past benefit months
10/18/00	CARES	Adverse Action: <ul style="list-style-type: none"> NO warning letters are produced Create AGPT row for Nov benefit month Assume payment for Oct benefit month for cases who do not have a "no pay" Close cases who have not paid for Oct benefit month Create Oct benefit month term notices
10/19/00	MMI S	Create monthly coupons for Nov benefit month
10/20/00	MMI S	Create daily coupons for Nov and past benefit months
10/31/00	MMI S	Create the monthly EFT debits for Nov benefit month

Educational Teleconference Network

DRAFT BadgerCare Premium Process Redesign: Phase One **DRAFT**

August 31, 2000

Date and Time

Tuesday, September 26, 2000
12:00 PM - 2:00 PM

AUDIENCE: ECONOMIC SUPPORT AND W-2 AGENCIES. ANNOUNCEMENT

PROGRAM OBJECTIVES

1. *Discuss new BadgerCare premium processing.*
2. *Discuss other BadgerCare changes being made in CARES.*
3. *Provide an update on any changes made since the Operations Memo was issued.*

Program Agenda

- *Presentation on the changes to the BadgerCare premium payment process, other BadgerCare fixes, and any updates to the information in the Operations Memo sent earlier.*
- *Presentation on future changes planned for the BadgerCare premium payment process.*
- *Address questions on the changes to the BadgerCare premium payment process.*

Featuring

John LaPhilliph
Medicaid Policy Analyst
DHFS/Division of Health Care Financing

Moderator

Cheri Stoffel
Training Program Designer
DWD/DES/BFS Training Section

Contact Person

If you have any questions concerning the ETN program content, please contact:

John LaPhilliph
Division of Health Care Financing
PO Box 309
1 W. Wilson St., Room 365
Madison, WI 53701-0309
Telephone: 608/266-6772
Fax: 608/266-1096
E-mail: laphijo@dhfs.state.wi.us

Access to ETN

The Educational Teleconference Network (ETN) has stations located in every county in Wisconsin. Each station has a loudspeaker and four microphones. Through this network, questions and comments from listeners are heard simultaneously by all statewide participants and by the speakers at the location where the program originates. Simply press the bar and speak into the microphone. Be sure to keep the bar completely depressed while you are speaking.

For questions relating to the use of ETN, please call:

Michael Heinrichs
Instructional Communications System Department
Telephone: 608/262-1598

To Register

No registration is required. Select the site where you will listen. Check to make sure that the location is open; if not open, call the number listed on the accompanying sheet. If you have special access needs, please make that known when you call. Should the local program arranger (LPA) at the site be unable to accommodate your needs, alternate arrangements can be made through the Instructional Communications System Department in Madison.

Evaluation

Your feedback is necessary in order to bring you programming which meets your needs. Please take a few minutes after the program to complete and return the attached evaluation form.